

**CABARRUS-IREDELL-ROWAN HOME CONSORTIUM**

**2016  
APPLICATION FOR HOME  
FUNDING**

**DRAFT**



**APPLICATIONS DUE MARCH 18, 2016**

Submit application to:

City of Concord  
Attn: Pepper Bego  
Planning & Neighborhood Development Department  
P.O. Box 308  
Concord, NC 28026  
704-920-5133  
[begop@concordnc.gov](mailto:begop@concordnc.gov)

**SECTION I**  
**APPLICATION INFORMATION**

Full Legal Name of Applicant: **City of Kannapolis**

Applying as: ☒ Consortium HOME Subrecipient  
☐ CHDO

Address: **401 Laureate Way**

City/State/Zip: **Kannapolis, NC 28081**

Telephone Number: **704-920-4332**

Contact Person: **Sherry B. Gordon**

Title: Community Development Program Administrator

Telephone Number: 704-920-4332 E-Mail: sgordon@kannapolisnc.gov

Name of Project: Senior Housing Tax Credit Project "Prosperity Ridge"

Alternate project: Homeowner rehab

Total funds requested: **\$100,799.00**

*(DO NOT include Admin funds in total)*

*To the best of my knowledge and belief all data in this application are true and current. The document has been duly authorized by the governing board of the applicant.*

Signature: \_\_\_\_\_  
Certifying Official

\_\_\_\_\_  
Date

## SECTION II

### PROJECT DESCRIPTION

Project/Program Title: Prosperity Ridge Apartments

Project/Program Location: \_\_\_\_\_

#### II (a) Type of Activity (check one)

\_\_\_\_ New construction for Homeownership      X New construction for rental

\_\_\_\_ Owner-Occupied Rehabilitation      \_\_\_\_\_ Rental Rehabilitation

\_\_\_\_ Acquisition/Rehab/Resale      \_\_\_\_\_ Down Payment Assistance

\_\_\_\_ Other (specify): \_\_\_\_\_

#### II (b) Goals and Objectives *(Provide a written description of your goals and objectives. Also provide a copy of your Needs Assessment hearing minutes and notice.)*

The goal of our program is to provide safe, sanitary affordable housing in the City of Kannapolis. We plan to partner with Prosperity Unlimited Inc. and Wesley Community Development Corp. on a **tax credit senior housing project** to be built in Kannapolis on land owned by Prosperity Unlimited, Inc. (104 N. Little Texas Rd)

The Cabarrus County Aging Strategic plan indicates that there may not be enough housing to support the growing population. Trends and gaps in the housing and home improvement services and programs consist of the population aged 50 years and older growing faster than housing adapted to meet the needs of that population. Private housing is being constructed for older residents, but the income levels required for that housing are higher than much of the population can afford.

PLEASE PLACE A CHECK MARK BESIDE YOUR OBJECTIVE AND A CHECK MARK BY THE INTENDED OUTCOME.

Objective and Outcome			
Objective (check one)		Outcome (check one)	
(1) Create suitable living environment		(1) Availability/accessibility	
(2) Provide decent affordable housing	X	(2) Affordability	X
		(3) Sustainability	

**II (c) Short Description.** One or two sentences stating the number and type of housing or other units expected to result from this project and the targeted client group. State both total number of units in project and number to be assisted with HOME. Also explain how this project will benefit low and very low income individuals and how this will be documented.

The senior housing project will consist of 60 units for low income senior citizens age 55 and older. The units will consist of 40 one bedrooms and 20 two bedrooms. Six of the units will be fully ADA compliant.

DRAFT

**II (d) Project Description.** Please provide a **detailed narrative description** of the project below (or on an attached page), addressing all of the following questions. Please check each box below to show that you have addressed the question, and insert information directly in blank space below question. Where the question is not applicable or no information is available, insert N/A.

(See attached page)

***\*Attach a general location map showing the development site. Be sure to include waterways and railroads.***

**Property Acquisition**

- ☒ Has agency acquired real property in order to carry out the project, or is property acquisition planned? **Land owned by Prosperity Unlimited.**
- ☒ Has property owner been informed of your intention to use federal funds for this project? If so, attach letter.
- ☒ Is the property currently occupied? If so, state the number of tenants and describe in detail how you will determine relocation needs and help occupants to relocate in accordance with Uniform Relocation Act. Include the cost of this in your budget. If you have issued a General Information Notice to tenants informing them of their rights to relocation assistance, attach a copy. **N/A**
- ☒ Is the property historically designated or in an historic district? No

**Construction Information**

- ☒ How many units will be
- |                   |                             |                    |                             |              |                             |
|-------------------|-----------------------------|--------------------|-----------------------------|--------------|-----------------------------|
| Newly constructed | <u>60 units</u>             | Rehabilitated      | <u>                    </u> | Provided DPA | <u>                    </u> |
| Acquired          | <u>                    </u> | Demolished/Cleared | <u>                    </u> |              |                             |
- ☒ Will the project participate in an externally monitored energy efficiency program (e.g. Energy Star, Advanced Energy)?
- Yes:                      (provide details). No:     X
- ☒ Will any of the units have full ADA accessibility? If so, how many? **6 units full ADA**

**Lead-Based Paint (REHAB PROJECTS ONLY)**

Describe in detail how you plan to address lead-based testing and abatement or hazard control on any property built before 1978.

N/A – New construction

If homeowner rehab is provided, lead inspectors and contractors will be employed to address lead hazards and testing.

## II (e) Affordability, Marketing, & Supportive Services

- ☒ What are the proposed rents or sales prices for completed housing units? For rental units, also estimate utility costs.

<u>Bedrooms</u>	<u>#Units</u>	<u>Income Limit</u>	<u>Rent</u>
1	8	30% AMI	\$277
1	8	50% AMI	\$518
1	24	60% AMI	\$639
2	4	30% AMI	\$325
2	4	50% AMI	\$534
2	12	60% AMI	\$663

- ☒ What is your process for marketing to ensure an adequate pool of income-eligible renters or buyers? **A third party management company will be hired to manage the building following completion, including managing the leasing of the building.**
- ☒ What steps are planned to ensure long-term affordability of housing units, including subsidy recapture, equity sharing, buy-back options, long-term lease, etc.? **There will be a recapture clause with a 20 year time limit per HOME regulations as this is new construction. Tenant will sign a 12 month lease.**
- ☒ Do you require beneficiaries to attend homebuyer education classes? **N/A**

## II (f) Fair Housing Activities

Please describe the Fair Housing activities you plan to undertake in the upcoming program year.

Plan to partner with the City of Concord Housing Authority for a fair housing activity as well as provide community education and outreach within the City of Kannapolis using newsletters and community event participation.

## **II (g) Project Team**

Identify the project team by name, job title, and employment status (employee, independent contractor, or volunteer), and their specific responsibilities in this project. If the team is not yet assembled, then describe how you will select them. (*Attach additional pages if necessary.*)

Sherry Gordon, Community Development Program Administrator, City of Kannapolis staff will administer the program and oversee all projects including administering contracts and HUD compliance as well as maintaining all documents.

Louise Mack, Prosperity Unlimited Inc. – Louise has worked with the HOME consortium since its inception and will be majority owner in the project. They have approximately 20 years of experience with new construction, owning rental units and program administration.

Roy Helm, Wesley Community Development Corporation – founded in 2002. Have redeveloped and constructed a number of multifamily housing projects for seniors as well as constructed 80 affordable single family homes. They currently own five multifamily projects and have several more that they are currently developing. The organization has been awarded two Housing North Carolina Awards from the North Carolina Housing Finance Agency for their projects.

**For Rehab Projects Only:** List all project staff who have completed training in Lead Safe Work Practices (with date) or have any more extensive training in Lead Based Paint hazard control. N/A

## II (h) Timetable.

Please complete a detailed and realistic timetable showing when each work task will be completed (e.g. planning, obtaining financing commitments, design, environmental review, bidding, loan closing, construction, final inspection, occupancy, etc.). The larger the project, the more detail we expect to see. You may add work tasks; where existing task does not apply, insert **N/A**.

Work Tasks	Date to be Completed
Planning	05/31/2016
Acquisition	Complete
Obtaining Financial Commitments	05/31/2016
Design	05/31/2016
Environmental Review	11/15/2016
Application for tax credits	05/31/2016
Announcement of tax credit awards	08/15/2016
Construction	04/01/2017
Complete Construction	04/02/2018
Loan Closing	04/01/2017
100 % Occupancy	09/30/2018

**II (i) Client/Area Demographics.** Please complete the following tables to the best of your ability. Show actual or estimated numbers of beneficiaries, **not percentages**, in each category. In general you should count **households** as the beneficiaries for housing programs and **persons** for non-housing programs.

Income Group	Number
<30% of area median income (AMI)	12
31-50% of AMI	12
51-80% of AMI	36
>80% of AMI*	
<b>TOTAL</b>	60



**Special Needs Beneficiaries (if applicable)**

Category	Number
Elderly (over 60)	30
Disabled (not elderly)	
Homeless	
People with HIV/AIDS	

**SECTION III****PROJECT BUDGET AND FUNDING****III (a) Budget**

Show all funding sources for the project or projects you plan to undertake. Be sure to include program income.

**Project Revenue**

	Source	Amount
<b>HOME</b> funds being requested		\$100,799.00
<b>HOME</b> funds from prior year(s)		
<b>HOME</b> Program Income		
Other Federal Funds		
State/Local Funds (list)		
Bank Loans		
Other Cash Contributions		
Private Grants		
<b>Total Funds Available*</b>		

\* This total should be the same as your "Total Development Costs" total in the **Estimated Costs** table on page 7.

**Provide the details of all loans and/or grants, other than HOME, listed above for the project.**

Cabarrus County providing  
Prosperity Unlimited, Inc. is providing

### III (b) HOME Match (HOME funded projects only)

List the project revenues that will count as matching funds (non-federal funds that are permanently contributed to the project). Include any in-kind contributions of materials and labor, including sweat equity, at \$10 p.h. If in doubt whether funds will count as match, please call Pepper Bego at (704) 920-5133.

Revenue Source	Amount

### III (c) Estimated Costs

Be as detailed as possible. Add or amend categories as needed. The second column should cover total project costs (including those met from HOME). The third column shows how much of each line item is to be met from HOME. Totals must be consistent with the revenues shown in section IIIA.

Category (add/amend as needed)	Total Costs	This grant only
Down Payment Assistance	\$	\$
Acquisition	\$	\$
Relocation	\$	\$
Demolition/Clearance	\$	\$
Site improvements	\$	\$
Rehabilitation	\$	\$
New construction	\$	\$
Professional Fees (appraisal, architect, etc.)	\$	\$
Agency project delivery costs (10% maximum of total project cost)	\$	\$
Other	\$	\$
	\$	\$
<b>*Total Development Costs</b>	<b>\$</b>	<b>\$</b>

\* The total in the "Total Cost" column should be the same as your "Total Funds Available" total in the **Project Revenue** table on page 6.

## SECTION IV

### DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

Are any of the Board Members or employees of the agency which will be carrying out this project, or members of their immediate families, or their business associates:

- a) Employees of or closely related to employees of your agency  
or the member government through which this application is made: YES \_\_\_\_ NO x
- b) Members of or closely related to members of City Council  
or Commission of the member government through which this  
application is made: YES \_\_\_\_ NO x
- c) Current beneficiaries of the program for which funds are requested: YES \_\_\_\_ NO x
- d) Paid providers of goods or services to the program or having other  
financial interest in the program: YES \_\_\_\_ NO x

If you have answered **YES** to any question, **please attach a full explanation**. The existence of a potential conflict of interest does not necessarily make the project ineligible for funding, but the existence of an **undisclosed** conflict may result in the termination of any grant awarded.

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*Signature of Certifying Official*

*Date*

## ***ATTACHMENT – Project Description***

### **Prosperity Ridge Apartments – 104 N. Little Texas Rd., Kannapolis**

Prosperity Ridge Apartments is proposed as a congregate building consisting of 60 apartments. The project will consist of 40 one bedroom units and 20 two bedroom units.

The units are designed around the concept of aging in place. In addition to the type A and type B accessible units, all units will have appropriate turn around spaces in the kitchen and bathroom, grab bars at the toilet and tub, and appropriate clearance at doorways. Thus if an ambulatory resident eventually develops a disability the unit has been designed to meet the need. The units are spacious and with large kitchens, pantry and a linen/coat closet near the bathroom. Bedrooms are large with walk-in closets and a double window in each bedroom to increase natural light. Each unit has a double door closet with washer and dryer hookups.

Both inside and out, residents will have numerous ways to enjoy views of the landscaped setting. There will be benches at the entrance from the parking lot. A picnic area is planned adjacent to the community garden. Indoor amenities include a manager office, a laundry room, resident computer room/library, parlor with sitting area and TV, spacious multipurpose room with kitchen, and resident bulk storage lockers. A key card entry system provides secure access to the building.

Resident activities will be based on resident input and will include social functions and referrals to outside agencies for services.

### **Neighborhood Characteristics**

Located at the intersection of N. Little Texas Road and El Paso Street, Prosperity Ridge Apartments will be located less than one mile east of the shopping district along Highway 29. The adjoining property to the south of the subject is the Living Water Church of God. This church hosts the lunch plus program for seniors from Monday to Friday. Lunch Plus is a federally funded program designed to provide a nutritious lunch for senior citizens. This will be a very convenient program for the resident of Prosperity Ridge Apartments. Immediately the north of site is the Mt. Calvary Evangelical Lutheran Church. It is anticipated that several members from these churches will become resident of the apartments.

### **Affordability of Units**

Prosperity Ridge is targeted at seniors with income between 30% and 60% of AMI for Cabarrus County. Rents will be set based on income and will range from \$277 per month a one bedroom unit to \$650 per month for a two bedroom unit. Most residents will be retirees who are living on social security or social security with a small pension.

### **Financing**

Prosperity Ridge will be an approximately \$7.0 million project. It will be financed by a combination of Low Income Housing Tax Credits (LIHTC), a Rental Production Program loan from the NCHFA, a permanent loan from a community bank, and HOME funds from various agencies. Projects that request the smallest amount of tax credits per unit will receive an award of LIHTC.



## NOTICE OF PUBLIC HEARING

The City of Kannapolis Housing Program will hold a public hearing on Monday, March 28, 2016 at 6:00 p.m. (as soon thereafter as the matter may be heard) in the Kannapolis City Hall/Police Headquarters, 401 Laureate Way, Kannapolis, NC. The purpose of this hearing is to receive citizens comments and questions on its Annual Action Plan for the Cabarrus/Rowan/Iredell HOME Consortium and the US Department of Housing and Urban Development (HUD) for use of program funds during FY 2016 (July 1, 2016 – June 30, 2017). The City of Kannapolis anticipates receiving approximately \$100,799.00 in HOME funds that may be used for eligible affordable housing programs that serve low and moderate income households.

Senior Housing Tax Credit Project (Prosperity Ridge Apartments)	\$ 100,799.00
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Alternative project: Homeowner Rehab

TOTAL	\$ 100,799.00
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Copies of this Report are available for public inspection at the following location: City of Kannapolis City Hall/Police Headquarters, 401 Laureate Way, Kannapolis, NC and from the City's website: [www.kannapolisnc.gov](http://www.kannapolisnc.gov)

Anyone who requires an auxiliary aid or service for effective communication, or a modification of policies or procedures to participate in a program, service, or activity of **the City of Kannapolis**, should contact the office of **Tina H. Cline, Human Resource Director**, by phone at 704-920-4302 or by email at [tccline@kannapolisnc.gov](mailto:tccline@kannapolisnc.gov) as soon as possible but no later than 48 hours before the scheduled event.



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## PUBLICATION DIRECTIONS

Publish in Non-Legal section only with black border.

**Please use all logos!**

Please publish by March 2, 2016.

**Mail invoice and affidavit of publication to the following address:**

City of Kannapolis  
HOME Program  
401 Laureate Way  
Kannapolis, NC 28081  
Attn: Sherry Gordon  
(704) 920-4332